GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 1492
ANSWERED ON 31/07/2026

INCREASE IN INDIA'S TRADE DEFICIT

1492. DR. MENAKA GURUSWAMY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India's trade deficit has increased during the last three years;
(b) the measures taken to reduce dependence on imports, particularly from China; and
(c) the details of export promotion assistance provided to MSMEs, State-wise including those in West Bengal?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY

(SHRI JITIN PRASADA)

(a) India's total trade (export + import) expanded from US$ 1674.4 billion in FY 2022-23 to US$ 1843.7 billion in FY 2025-26, the trade deficit declined from US$ 121.6 billion (7.3% share in total trade) to US$ 117.6 billion (6.4% share in total trade) in the same period.

The year-wise details are as follows:

Merchandise + Services	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**
Total Exports	776.4	778.2	825.3	863.1
Total Imports	898.0	852.3	919.9	980.7
Trade Balance	-121.6	-74.1	-94.7	-117.6
Total Trade	1674.4	1630.5	1745.2	1843.7
% of Deficit in Total Trade	-7.3%	-4.5%	-5.4%	-6.4%

Source: DGCIS, TIA Portal; All values in US$ billion

(b) The Government has adopted a comprehensive strategy aimed at achieving the twin objectives of reducing critical import dependence by strengthening domestic manufacturing capabilities while simultaneously expanding exports through improved competitiveness, market access and deeper integration with global value chains.

To promote exports, the Government is implementing the Foreign Trade Policy (FTP), 2023, which focuses on export diversification, market access, ease of doing business, digitalisation and integration into global value chains. India has also significantly expanded its trade engagement and multiple Free Trade Agreements across regions.

Institutional initiatives such as the Export Promotion Mission, Districts as Export Hubs, Trade Connect, the Trade Intelligence and Analytics (TIA) Portal, electronic Certificates of Origin, and customs modernisation are strengthening export competitiveness, improving market intelligence, facilitating compliance and enabling exporters, particularly MSMEs, to access new international markets.

Simultaneously, the Government is strengthening domestic manufacturing capabilities through improvements in infrastructure, logistics and the business ecosystem. Initiatives such as PM Gati Shakti National Master Plan, the National Logistics Policy, National Industrial Corridor Development Programme (NICDP), digitalisation of customs processes through SWIFT, and improvements in trade facilitation are reducing logistics costs and enhancing industrial competitiveness. In addition, Production Linked Incentive (PLI) schemes across 14 strategic sectors, together with the National Mission on Manufacturing, aim to expand domestic manufacturing capacity and strengthen India's integration into global value chains.

To reduce strategic import dependence, the Government is also promoting domestic capacity creation in critical sectors, encouraging technology adoption and innovation, strengthening supply chain resilience, diversifying import sources for essential commodities such as crude oil, fertilisers and critical minerals, and accelerating investments in renewable energy and other emerging sectors.

These measures are aimed at progressively improving India's export competitiveness, strengthening domestic production capabilities, and reducing vulnerabilities arising from high dependence on imports particularly critical commodities from limited markets.

(c) MSMEs constitute an important component of India's export ecosystem and account for a significant share of the country's exports. The Government provides support to MSME exporters through a range of export promotion, trade facilitation, market access, capacity-building and export competitiveness initiatives implemented by the Government.

To strengthen export competitiveness, particularly for MSMEs, first-time exporters and labour-intensive sectors, the Government has approved the Export Promotion Mission (EPM) for the period FY 2025-26 to FY 2030-31. The Mission provides a comprehensive framework for export promotion through two sub-schemes, namely Niryat Protsahan and Niryat Disha. Assistance is provided through measures such as trade finance support for e-commerce exporters, export quality and compliance assistance, international branding and packaging support, participation in trade fairs and exhibitions, export warehousing and logistics support, trade facilitation and intelligence, and capacity-building initiatives.

The Government is also implementing the Districts as Export Hubs (DEH) Initiative, which seeks to promote exports and employment generation by identifying district-specific products and services with export potential and integrating local producers, artisans, farmers and MSMEs into global value chains. Under the initiative, products and services with export potential have been identified across districts of the country and institutional mechanisms have been established through State Export Promotion Committees (SEPCs) and District Export Promotion Committees (DEPCs) to formulate and implement district-level export action plans. The initiative is supported through capacity-building programmes, exporter outreach activities, market linkage support, e-commerce enablement and convergence with Central and State Government schemes.

To support export-oriented infrastructure, the Government also implemented the Trade Infrastructure for Export Scheme (TIES), which provides financial assistance for projects such as quality testing laboratories, cold chains, cargo terminals, land customs stations and border haats. Projects are sanctioned under the TIES based on proposals received from State Governments for the development and upgradation of export-related infrastructure. Under TIES, cumulative grants amounting to ₹579.93 crore (as on 27th July 2026) have been released across States and Union Territories for export infrastructure projects. West Bengal has received grants of ₹13.66 crore till date under the scheme for creation and upgradation of export-related infrastructure with strong export linkages.

State-wise details of grants released under Trade Infrastructure for Export Scheme (TIES) as on 27th July 2026

S.No.	State/UT	No. of Projects approved	TIES Share (In Cr)	Grant Released (In Cr)	Completed
1.	Andhra Pradesh	5	76.07	75.96	5
2.	Assam	2	22.93	22.93	1
3.	Bihar	1	5.77	5.77	1
4.	Chandigarh	1	5.63	5.63	0
5.	Delhi	1	15.52	12.65	0
6.	Haryana	1	12.12	6.06	0
7.	Himachal Pradesh	2	33.53	18.46	0
8.	Jharkhand	1	19.61	9.80	0
9.	Karnataka	8	63.55	58.09	7
10.	Kerala	3	51.09	51.09	3
11.	Madhya Pradesh	3	36.09	36.09	3
12.	Maharashtra	2	15.79	3.04	1
13.	Manipur	2	23.18	23.18	2
14.	Meghalaya	1	4.83	4.83	1
15.	Punjab	3	31.56	30.83	3
16.	Rajasthan	3	10.19	7.52	2
17.	Sikkim	1	17.74	8.87	0
18.	Tamil Nadu	20	192.63	151.04	12
19.	Tripura	3	17.46	8.06	1
20.	Uttar Pradesh	4	36.82	26.37	1
21.	Uttrakhand	1	19.52	0	0

22.	West Bengal	1	13.66	13.66	1
	Total	**69**	**725.29**	**579.93**	**44**

Note: Under TIES, total 69 projects have been sanctioned since inception.

The Department of Commerce is also leveraging technology to strengthen export promotion and facilitate market access for MSMEs across States and Union Territories. Initiatives such as the Trade Intelligence and Analytics (TIA) Portal provide comprehensive state-wise and district-wise trade data, enabling exporters, policymakers, and State Governments to identify export opportunities and formulate evidence-based strategies. This is complemented by digital platforms such as Trade e-Connect, the electronic Certificate of Origin (e-CoO) system, Jan Sunwai Facility and 24x7 e-IEC generation, enabling real-time monitoring of export performance, enhanced stakeholder engagement, seamless access to trade-related services and, hence promoting exports.

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